

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7587**

**BILL NUMBER:** SB 354

**DATE PREPARED:** Dec 31, 2000

**BILL AMENDED:**

**SUBJECT:** IURC Enforcement Authority.

**FISCAL ANALYST:** John Parkey

**PHONE NUMBER:** 232-9854

**FUNDS AFFECTED:**     **GENERAL**  
                              **X DEDICATED**  
                              **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill allows the Indiana Utility Regulatory Commission (IURC) to impose the following penalties on a utility if the utility violates Indiana utility law or fails to comply with an order of the IURC:

- (1) A civil penalty of not more than \$25,000 per violation.
- (2) A cease and desist order.
- (3) An order that the utility take corrective action to remedy the violation.
- (4) Revocation or modification of the utility's certificate of territorial authority, certificate of public convenience and necessity, or other permit.

This bill authorizes the Attorney General to bring an action to enforce an order of the IURC to impose a penalty. The bill provides for the deposit of any civil penalties collected in the Commission's Public Utility Fund account.

The bill provides that the IURC may impose only the civil penalties allowed under current law for violations of slamming and cramming laws by telecommunications providers.

It also authorizes the IURC to direct a utility to provide service within 24 hours if the IURC determines that the service is necessary to prevent injury or to alleviate an emergency. The bill provides that each day that a utility fails to provide service after being directed to do so is a separate violation.

The bill repeals a superseded statute relating to the IURC's enforcement powers.

**Effective Date:** July 1, 2001.

**Explanation of State Expenditures:** This proposal extends the IURC's enforcement power over regulated

Indiana utilities. The proposal would give the IURC the ability to impose civil penalties, issue cease and desist orders, and modify permits issued by the Commission. Under current law, the IURC can only revoke a certificate or permit. While this bill would make more options available to the IURC in the event of a violation or act of noncompliance, it should not require any additional procedures or expenditures for the Commission.

The proposal also authorizes the Attorney General to bring an action in a court that has jurisdiction over the noncompliant utility. If more legal actions are sought, the administrative burden of the Attorney General's office may increase.

**Explanation of State Revenues:** This bill would authorize the IURC to impose a penalty of up to \$25,000 on a utility for each violation or act of noncompliance. If the IURC or the Office of the Utility Consumer Counselor (OUCC) directs a utility to provide service to avoid personal injury or alleviate an emergency situation, each day the utility does not comply with the order would be considered a separate violation subject to a civil penalty.

Penalties would be deposited into the Public Utility Fund, which is used for the operation of the IURC and the OUCC. It is not known in how many instances the IURC would impose monetary penalties

At the end of the fiscal year, if the total public utility fees in the Public Utility Fund plus the unspent balance of the Fund exceeds the total appropriations for the IURC and the OUCC (plus a \$250,000 contingency fund), then the IURC must compute each utility's share of the excess. This share is then deducted from any subsequent payment of the utility's public utility fees. In FY 2000, public utility fines and fees generated \$8,053,986.

The penalty provisions authorized by this bill would not change the civil penalties allowed for violations of laws related to slamming and cramming by telecommunication providers. Civil penalties assessed on these violations are deposited in the state General Fund.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Indiana Utility Regulatory Commission; Office of the Utility Consumer Counselor; Attorney General's Office.

**Local Agencies Affected:**

**Information Sources:** Mike Leppert, Executive Director of External Affairs, IURC, (317) 232-2714.